

INDEPENDENT ACCOUNTANTS' REPORT ON
MONTANA CASH DRAWINGS

Montana State Lottery

June 30, 2007

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Montana State Lottery

June 30, 2007

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LEGISLATIVE AUDIT DIVISION

Scott A. Seecat, Legislative Auditor
Tori Hunthausen,
Chief Deputy Legislative Auditor



Deputy Legislative Auditors:
James Gillett
Angie Grove

July 2007

The Legislative Audit Committee
of the Montana State Legislature:

Enclosed is the report on the audit of the Montana State Lottery Observations for the fiscal year ended June 30, 2007.

The audit was conducted by Galusha, Higgins & Galusha, PC, under a contract between the firm and our office. There are no recommendations in this report.

Respectfully submitted,

Scott A. Seecat
Legislative Auditor

07C-03

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Montana State Lottery
COMMISSION MEMBERS AND ADMINISTRATIVE OFFICIALS
June 30, 2007

COMMISSION MEMBERS

Robert Crippen, CPA, Chairperson

Beth O'Halloran

Craig Anderson, Sheriff

Thomas M. Keegan, Attorney at Law

Wilbur Rehman

RESIDENCE

Butte

Missoula

Glendive

Helena

Helena

ADMINISTRATIVE OFFICIALS

George Parisot, Montana State Lottery Director

John Tarr, Montana State Lottery Director of Security

Montana State Lottery
INTRODUCTION, BACKGROUND, AND REPORTABLE OBSERVATIONS
June 30, 2007

INTRODUCTION

We performed the following agreed-upon procedures for the Montana State Lottery for the year ended June 30, 2007:

- 1) Witnessed and reported on each Montana Cash drawing;
- 2) examined all lottery drawing equipment prior to and after each drawing; and
- 3) tested compliance with applicable statutes and regulations.

BACKGROUND

The Montana State Lottery was created in November 1986 by a referendum vote of the people of Montana. The "Montana State Lottery Act of 1985" rules and subsequent changes are contained in Chapter 669 of the Montana Session Laws and Title 23, Chapter 7, of the Montana Code Annotated. The general purpose of the law is to allow lottery games in which players purchase from the State, through the administration of the Montana State Lottery, a chance to win a prize.

REPORTABLE OBSERVATIONS

In addition to the independent accountants' report on agreed-upon procedures, we are to report on serious inadequacies in operating controls and procedures, activities not authorized by the legislature, and our recommendations to the State and the Montana State Lottery. We have nothing to report in those areas.

INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

To the Commissioners
Montana State Lottery
Helena, Montana

We have performed the procedures enumerated below, which were agreed to by the Montana State Lottery and the Montana Legislative Audit Division with respect to the Montana Cash drawings of the Montana State Lottery for the year ended June 30, 2007. The Montana State Lottery is responsible for the Montana Cash drawing. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures were designed to review the applicable rules as developed by the Montana State Lottery to determine that such rules are adequate to insure:

All drawings are conducted in accordance with applicable rules and regulations.

All drawings are conducted in a secure, honest and fair manner.

The procedures we performed and our findings are summarized as follows:

1. We read the "Montana Cash Drawing Procedures." In performing this and other steps of our procedures, we gave consideration to the adequacy of controls over the drawing process.
2. We observed the unlocking of the machine cabinet and determined that the seals on the machine cabinet door, ball locker, and ball sets were unbroken and that the seals were numbered the same as the seals placed there when we were last present.
3. We observed the random selection of the primary and back-up drawing machines and the primary and alternate ball sets.
4. We observed the pre-drawing tests, recorded the results and determined that the applicable procedures were followed.

To the Commissioners
Montana State Lottery

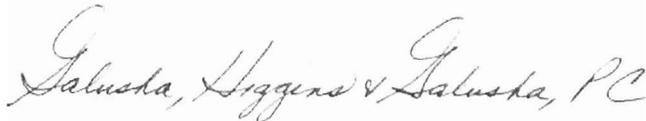
5. We observed the official "Montana Cash" drawings and determined that the applicable procedures were followed.
6. We observed the performance of the post-drawing tests, recorded the results and determined that the applicable procedures were followed.
7. We observed the resealing of the ball sets, ball locker and machine cabinet door.

We have furnished the Legislative Audit Division with a summary letter after each drawing stating that the Montana Cash drawings were performed and observed by us. The letters would include any unusual occurrences or deviations from the established rules and procedures.

No exceptions were found as a result of applying the above procedures.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Montana Cash drawing procedures for the year ended June 30, 2007. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Montana State Lottery and the Montana Legislative Audit Division and is not intended to be and should not be used by anyone other than these specified parties.



GALUSHA, HIGGINS AND GALUSHA, PC
Certified Public Accountants and Advisors

Helena, Montana
July 2, 2007

Montana State Lottery

STATEMENT OF MONTANA CASH WINNING NUMBERS *year ended June 30, 2007*

The following Montana Cash drawings were held twice a week, Wednesdays and Saturdays, at Lottery Headquarters, Helena, Montana. The winning numbers were:

<u>Date</u>	<u>Winning Numbers</u>				
July 1, 2006	36	7	27	3	2
July 5, 2006	6	33	35	15	27
July 8, 2006	28	25	32	37	5
July 12, 2006	10	3	30	7	26
July 15, 2006	29	11	28	34	8
July 19, 2006	22	31	15	16	2
July 22, 2006	4	23	27	34	35
July 26, 2006	35	5	7	19	31
July 29, 2006	17	5	6	24	7
August 2, 2006	8	16	27	33	26
August 5, 2006	8	27	36	29	37
August 9, 2006	7	26	10	29	35
August 12, 2006	22	36	24	6	17
August 16, 2006	23	34	35	28	29
August 19, 2006	8	2	17	11	29
August 23, 2006	35	27	25	15	14
August 26, 2006	36	21	4	27	12
August 30, 2006	28	34	10	15	7
September 2, 2006	4	20	18	12	6
September 6, 2006	5	29	7	12	22
September 9, 2006	25	30	24	2	21
September 13, 2006	5	25	12	4	14
September 16, 2006	12	27	37	13	35
September 20, 2006	32	21	37	9	27
September 23, 2006	20	12	36	37	9
September 27, 2006	30	16	25	1	27
September 30, 2006	1	22	25	18	26
October 4, 2006	4	19	15	25	10
October 7, 2006	4	5	21	23	12
October 11, 2006	33	9	18	8	6
October 14, 2006	8	31	4	26	29
October 18, 2006	12	10	32	5	21
October 21, 2006	31	14	2	3	25
October 25, 2006	36	28	20	3	1
October 28, 2006	10	6	11	7	15

Continued

Montana State Lottery

STATEMENT OF MONTANA CASH WINNING NUMBERS *year ended June 30, 2007*

<u>Date</u>	<u>Winning Numbers</u>				
November 1, 2006	19	12	16	36	14
November 4, 2006	5	35	26	4	34
November 8, 2006	36	30	37	23	29
November 11, 2006	1	4	6	36	31
November 15, 2006	32	11	34	24	7
November 18, 2006	10	3	13	15	8
November 22, 2006	18	8	10	14	27
November 25, 2006	1	26	8	6	15
November 29, 2006	13	17	36	18	34
December 2, 2006	13	20	12	14	34
December 6, 2006	22	20	7	37	17
December 9, 2006	21	32	30	10	20
December 13, 2006	24	5	13	17	16
December 16, 2006	16	2	31	24	12
December 20, 2006	14	31	1	13	8
December 23, 2006	12	7	28	22	6
December 27, 2006	19	2	29	4	33
December 30, 2006	33	31	21	6	11
January 3, 2007	20	11	32	10	6
January 6, 2007	11	8	23	31	34
January 10, 2007	28	34	30	27	6
January 13, 2007	30	9	22	4	13
January 17, 2007	26	15	12	21	6
January 20, 2007	11	14	28	26	36
January 24, 2007	34	31	30	6	3
January 27, 2007	28	33	8	1	36
January 31, 2007	25	34	1	7	29
February 3, 2007	28	11	6	31	25
February 7, 2007	17	21	15	8	24
February 10, 2007	12	22	36	13	18
February 14, 2007	2	5	21	31	3
February 17, 2007	10	22	6	27	5
February 21, 2007	12	21	25	10	33
February 24, 2007	36	18	14	15	23
February 28, 2007	5	1	23	6	24

Continued

Montana State Lottery

STATEMENT OF MONTANA CASH WINNING NUMBERS *year ended June 30, 2007*

<u>Date</u>	<u>Winning Numbers</u>				
March 3, 2007	37	7	31	26	10
March 7, 2007	37	13	12	29	35
March 10, 2007	23	1	17	7	16
March 14, 2007	33	13	1	28	22
March 17, 2007	18	8	17	4	25
March 21, 2007	35	34	15	8	1
March 24, 2007	9	5	21	14	4
March 28, 2007	4	23	32	30	7
March 31, 2007	23	4	9	22	37
April 4, 2007	33	29	20	7	9
April 7, 2007	13	21	1	7	28
April 11, 2007	13	18	27	7	20
April 14, 2007	15	3	35	9	26
April 18, 2007	35	6	1	12	5
April 21, 2007	12	28	20	22	29
April 25, 2007	9	20	2	31	25
April 28, 2007	31	23	16	12	2
May 2, 2007	17	5	19	27	21
May 5, 2007	21	24	30	2	23
May 9, 2007	4	31	34	35	19
May 12, 2007	23	6	9	26	24
May 16, 2007	17	15	32	27	4
May 19, 2007	4	16	17	24	6
May 23, 2007	29	28	11	36	16
May 26, 2007	21	25	32	16	36
May 30, 2007	32	27	19	22	16
June 2, 2007	4	21	17	26	32
June 6, 2007	17	3	35	30	1
June 9, 2007	1	15	37	6	32
June 13, 2007	32	19	35	26	1
June 16, 2007	30	33	19	32	26
June 20, 2007	32	6	23	2	24
June 23, 2007	20	23	33	10	32
June 27, 2007	31	1	24	19	27
June 30, 2007	26	15	4	9	14

Concluded